Code of Business Conduct and Ethics

March 2019

Message from the CEO

To Our Company-Wide Workforce:

Elbit Systems Ltd. and our subsidiaries (the "**Company**") is committed to operating our worldwide business ethically and with professional integrity. Our success as a company depends on our being free from even the appearance of corruption. All employees of our organization worldwide have a role to play in maintaining our ethical values, and the continuation and enhancement of our reputation for honest conduct is essential to our business conduct around the world.

Our commitment to these standards of conduct must be demonstrated in all our business dealings and relationships, and the principles outlined in this *Ethics Code of Business Conduct* (the "**Ethics Code**") must guide our business activities and personal behavior at all times. The Company's leadership is committed to acting according to this Ethics Code. It is critical that every employee and individual who conducts business on our behalf understands these principles and is also committed to fully adhering to them.

Thank you for integrating the principles of this Ethics Code into your everyday business practices.

Sincerely,

Bezhalel (Butzi) Machlis
President and Chief Executive Officer
Elbit Systems Ltd.

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1. Introduction

A. ***Importance of Ethics***. Conducting our business honestly, ethically and properly is critical to the Company's continued success and growth. We have long had procedures relating to business ethics in order to help us maintain our good reputation and conduct our business activities in a compliant manner.

B. ***This Ethics Code***. In furtherance of our commitment to ethical business conduct, our board of directors has approved this Ethics Code. It summarizes our policy with respect to ethical business conduct. Compliance with this Ethics Code by our directors, officers and employees helps us successfully perform our business activities, maintain our good reputation and create an effective and positive working environment.

C. ***Other Company Procedures and Policies***. This Ethics Code is supplemented by other Company policies and procedures relating to ethics and anti-bribery compliance issues, including but not limited to:

- *Anti-Bribery and Corruption Compliance Policy* ("**ABCC Policy**");
- *Whistleblower and Investigations Procedure* ("**Whistleblower Procedure**");
- *Procedure on Anti-Bribery and Corruption Due Diligence* ("**DD Procedure**");
- *Business Entertainment and Gifts Policy* ("**Business Entertainment Policy**"); and
- *Supplier Code of Conduct* ("**Supplier Code**").

D. ***Where to Find the Ethics Code and Related Procedures and Policies***. This Ethics Code and each of the other above-mentioned procedures and policies may be found on our website http://www.elbitsystems.com under "About – Ethics and Conduct" or "Investor Relations – Corporate Governance – Ethics and Conduct".

E. ***Where to Go With Questions***. If you have any doubts regarding whether a particular situation might violate our ethics standards, or if you have any other questions regarding ethics issues, you should contact a member of the Legal Department, our Chief Compliance Officer at compliance@elbitsystems.com or otherwise as described in the *Whistleblower Procedure* referenced in Section 1.C above. The matter will be reviewed and appropriate action will be taken consistent with this Ethics Code, other company policies and procedures and applicable law.

2. Summary of What You Are Expected To Know and Do

A. ***Be Familiar with the Ethics Code***. You are expected to be familiar with this Ethics Code and other related company policies and procedures.

B. ***The Ethics Code is Only a General Guideline***. This Ethics Code is intended as a statement of basic principles and standards and does not include specific rules that apply to every situation. The Ethics Code also should be viewed within the framework of our other policies, procedures, practices and instructions as well as legal requirements. In addition, the absence of a specific corporate policy, procedures, practice or instruction covering a particular situation does not relieve you of the responsibility for acting ethically under the circumstances.

C. ***Checklist of Things to Consider***. In many situations it may be difficult to know the proper course of action. Because this Ethics Code does not anticipate every situation that may arise, it is important that you approach a new question or problem in a deliberate fashion:

(1) Determine if you know all the facts and identify exactly what it is that concerns you.

(2) Discuss the problem with a supervisor or a member of the Legal Department, or if you are an executive officer or director, with the Chief Compliance Officer.

(3) Seek help from other resources such as other management personnel.

(4) Seek guidance before taking any action that you believe may be, or may appear to be, unethical or improper.

D. ***The Standards to Which You Will be Held***. You are expected to meet the following compliance standards:

(1) You are personally responsible for your own conduct and for complying with all provisions of this Ethics Code and for properly reporting known or suspected violations.

(2) If you are a supervisor, manager or officer, you should use your best efforts to ensure that employees understand and comply with this Ethics Code.

(3) No one has the authority or right to order, request or even influence you to violate this Ethics Code or the law. A request or order from another person will not be an excuse for your violation of this Ethics Code.

(4) Any attempt by you to induce a director, officer or employee of the Company to violate this Ethics Code, whether successful or not, is itself a violation of this Ethics Code and may be a violation of law.

(5) Any retaliation or threat of retaliation against any director, officer or employee of the Company for refusing to violate this Ethics Code, or for reporting in good faith the violation or suspected violation of this Ethics Code, is itself a violation of this Ethics Code and our related policies and may be a violation of law.

E. ***Violations Will be Subject to Disciplinary Actions***. Violation of any of the standards contained in this Ethics Code, or in any other policy, practice or instruction of the Company, can result in disciplinary actions, including dismissal and civil or criminal action against the violator.

3. Applicability

You are subject to this Ethics Code if you are a director, officer or employee of Elbit Systems Ltd. or any of our Company entities. For our subsidiaries outside of Israel the Ethics Code may be supplemented or adapted to reflect applicable local requirements. In addition, this Ethics Code applies to your own actions as well as those you may conduct indirectly through relatives, friends or other personal relationships. We also expect our suppliers and vendors to comply with certain ethical standards as reflected in our *Supplier Code* referenced in Section 1.C above.

4. Values

We are committed to fostering the following core values:

- ***Honesty and Ethics***: Honesty, respect and integrity are the key principles that guide us.
- ***Customer Focused***: We are attuned to our customers' needs and respond to them with affordable, operationally proven, comprehensive solutions that offer a qualitative performance advantage.
- ***Employee Excellence***: Excellent people are the key to achieving our vision. We employ a world-class, motivated, team-spirited workforce, and create a dynamic atmosphere in which employees may flourish and reach their highest potential.
- ***Innovation, Creativity and Technological Leadership***: We foster an environment that nurtures innovation, creativity and technical leadership.
- ***Teamwork and Synergy***: Personal interaction and mutual trust form the basis for achieving our goals. In our complex world, cooperation and teamwork lead to synergy.
- ***Leadership, Personal Responsibility and Accountability***: We are committed to the success of the Company though personal responsibility and leadership.
- ***Social Sustainability***: We contribute to the enhancement of quality of life and the environment of the communities in which we live and work through a variety of educational, social welfare and green activities.

5. Honest and Ethical Conduct

Each person subject to this Ethics Code has the responsibility to act honestly and ethically in conducting activities on behalf of the Company. Your responsibility applies to your interaction with our other directors, officers and employees, and to the Company itself. You are expected to act in good faith and with responsibility, due care, competence and diligence. You should use your independent judgment with respect to questionable behavior and at all times conduct yourself in a manner that meets with our ethical standards.

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6. Compliance with Laws, Rules and Regulations

You are required to comply with all applicable laws, governmental rules and regulations. This includes, but is not limited to regulations relating to the conduct of government tenders and procurement integrity. Although you are not expected to know the details of all applicable laws, rules and regulations, we expect you to be familiar with Company published policies and procedures and to seek advice from our Legal Department if you have any questions about whether a legal requirement applies to a particular situation or what conduct may be required to comply with any law, rule or regulation.

7. Public Disclosures

The Company's policy is to provide appropriate disclosure in all reports and documents that we file with, or submit to applicable national securities authorities and stock exchanges, as well as in all other public communications made by the Company.

8. Insider Trading

Since the shares of Elbit Systems Ltd. are publicly traded, all persons having "inside information" regarding our activities are subject to applicable laws and regulations against "insider trading". If you have access to material, non-public information concerning the Company, you are not permitted to use or share that information for stock trading purposes or for any purpose other than the conduct of our business. All non-public information about the Company should be considered confidential information. Insider trading, which is the use of material, non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information, is not only unethical but also illegal. The prohibition on insider trading applies not only to Elbit Systems Ltd.'s securities, but also to securities of other companies if you learn of material non-public information about these companies in the course of your duties for the Company. Violations of this prohibition against insider trading may subject you to criminal or civil liability, in addition to disciplinary action by the Company.

9. Anti-Bribery and Corruption Compliance

The Company is committed to conducting business with the highest ethical principles, including compliance with anti-bribery and corruption standards. We maintain a zero tolerance policy towards corruption. We are active in numerous markets, requiring compliance with the anti-bribery and corruption laws of many jurisdictions. This includes applicable Israeli law, such as Israel's Criminal Code and Israel's ratification of the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the U.N. Convention Against Corruption. In addition to laws applicable to Israeli companies, since Elbit Systems Ltd.'s shares are publicly traded on the Nasdaq National Marketing the U.S., we are subject to the United States Foreign Corrupt Practices Act ("**FCPA**"). There are also other anti-bribery and corruption laws throughout the world which apply in the countries in which we do business. Our policy regarding anti-bribery and corruption compliance, as well as business entertainment and gifts, is contained in our *ABCC Policy*, *DD Procedure* and *Business Entertainment Policy*, each of which is referenced above in Section 1.C above.

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10. Human Rights and Fair Labor Practices

You are expected to treat all people with whom you may deal in connection with the Company with dignity and respect for human rights and fair labor practices. Company policy supports measures to oppose human trafficking and modern slavery, with respect to our own human resources activities and those of our supply chain.

11. Fair Dealing

You should deal fairly with our suppliers, competitors and employees as well as others with whom the Company does business. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentations or any other unfair-dealing practice.

12. Conflicts of Interest

You should handle ethically any actual or apparent conflict of interest between your personal and business relationships. Conflicts of interest are prohibited as a matter of policy. A "conflict of interest" exists when a person's private interest interferes, or might reasonably be considered to interfere, in any way with the interests of the Company. A conflict situation arises if you take actions or have interests that interfere with your ability to perform your work for the Company objectively and effectively. Conflicts of interest also may arise if you, or a member of your family or other person affiliated with you as defined in Section 12.F "Indirect Violations" below, receives an improper personal benefit as a result of your position with the Company.

If you become aware of any transaction or relationship that reasonably could be expected to give rise to a conflict of interest, you should report it promptly to a member of the Legal Department, our Chief Compliance Officer, or as otherwise provided in the *Whistleblower Procedure* referenced in Section 1.3 above. Some potential conflicts of interest may, after review by the Legal Department, be found to be permissible. Among other factors to be considered is whether the situation could result in an undesired appearance of impropriety.

The following are examples of standards applying to certain common situations where potential conflicts of interest may arise. These examples should also be read in light of indirect violations as described below.

A. ***Gifts, Entertainment and Other Personal Benefits*****.** Personal gifts, entertainment or other benefits may only be offered or accepted by persons doing business with or on behalf of the Company if done in a reasonable way in the ordinary course of the business relationship. In addition, the frequency and cost of any such gifts, entertainment or personal benefits should be in nominal amounts/value only, so as not to affect, or appear to affect, the ability to exercise independent business judgment. See also our *Business Entertainment Policy* referenced in Section 1.C above.

B. ***Financial Interests in Other Organizations***. The determination whether any outside investment, financial arrangement or other interest in another organization is improper depends on the facts and circumstances of each case. Your ownership of an interest in another organization may be inappropriate if

the other organization has a significant business relationship with, or is a direct competitor of, the Company. In such case your financial interest would likely be inappropriate if it is of such a size that your ability to exercise independent judgment on behalf of the Company is or may appear to be compromised. As a general rule, a passive investment would not likely be considered improper if it: (1) is in publicly traded shares; (2) represents less than 1% of the outstanding equity of the organization in question; and (3) represents less than 5% of your net worth. Other interests also may not be improper, depending on the circumstances.

C. ***Outside Business Activities***. The determination of whether any outside position an employee may hold is improper will depend on the facts and circumstances of each case. Your involvement in trade associations, professional societies and charitable and similar organizations normally does not create a conflict of interest. However, to avoid a potential conflict of interest, if you are to assume a formal position (such as a director) or receive compensation in connection with these activities, you must receive prior approval from the Human Resources and Legal Departments. For a director, employment or affiliation with an organization with which the Company does business or competes must be fully disclosed to our Board of Directors and Chief Compliance Officer and must satisfy any other standards established by applicable law, rules (including rules of any applicable stock exchange) or regulation and any other corporate governance guidelines that the Company may establish.

D. ***Corporate Opportunities***. You are prohibited from exploiting for your personal advantage, opportunities that are discovered through the use of the Company resources, information or position, unless all required approvals are obtained. Similarly, you may not compete with the Company. You owe a duty to advance the Company's legitimate interests whenever the opportunity to do so arises.

E. ***Hiring Process***. Hiring decisions should be made solely on business rather than personal considerations. In addition, situations that could be viewed as nepotism, such as the hiring of close family members of directors, officers or employees in particular situations, should be avoided. Hiring persons previously employed by, or who are close relatives of persons employed by, organizations that have a business affiliation with the Company should be reviewed in advance with the Human Resources and Legal Departments in order to avoid inappropriate or improper situations. Such organizations include independent auditors, other service providers, subcontractors, customers, end users, regulators and competitors.

F. ***Indirect Violations***. You should not indirectly (such as through a spouse, family member, affiliate, friend, partner, associate or an entity with which you have an active or significant business or financial relationship) have any interest or engage in any activity that would violate this Ethics Code if you directly had the interest or engaged in the activity. Any such relationship should be fully disclosed to a member of the Legal Department or our Chief Compliance Officer (and in the case of a director to the Board of Directors), in order to determine whether the relationship is inappropriate based upon the standards of this Ethics Code.

13. Political Activity

The Company's policy is not to promote specific political affiliations. However, you are free to engage in political activities on your personal time so long as those activities do not interfere with your work for the Company, and you do not involve or associate the Company in those activities in any way. Use of Company property or resources for political purposes is prohibited.

14. Protection and Proper Use of Company Assets

You should protect and properly use the Company's assets and property. Theft, carelessness, and waste have a direct impact on our profitability. All Company assets should be used only for legitimate business purposes. Use of our computer networks and other communication channels for inappropriate purposes is prohibited. Use of computer networks and communication channels for personal reasons should be reasonable, kept to a minimum and not interfere with business activities.

15. Confidentiality

The obligation of employees to protect Company assets includes our proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing, financial, human resources, technical and administrative information that has not been properly released to the public domain. Unauthorized use or distribution of this information violates Company policy. It could also be illegal and result in civil or even criminal penalties. Except when disclosure is specifically authorized or legally required, you should maintain the confidentiality of all non-public information that you obtain in the course of your work activities, whether or not entrusted to you by the Company or by persons with whom we do business.

16. Use of Social Media

A. ***Scope of Social Media***. We recognize that external social media and online networking sites ("**Social Media**") provide opportunities to share information, ideas and perspectives and are widely used in many aspects of daily life. Examples of Social Media include Facebook, Twitter, YouTube, LinkedIn, Instagram and various blogging sites, among others. While the Company understands that private use of Social Media has become a regular part of all of our lives, employees and anyone else representing the Company need to know that accessing or using Social Media in any way connected to the Company creates risks to the Company and is strictly regulated as described below.

B. ***Potential Risks***. Employees should be aware that even the private use of Social Media that references the Company or our activities, poses potential risks. Inappropriate use of Social Media has the potential to cause damage to you, as well as to the Company if it is possible to identify from Social Media that you are an employee of the Company. Anything you post on Social Media may become public and be exposed for a long time. Also, today's cyber environment poses significant risks from hostile politically motivated sources as well as from cyber criminals, both with respect to the Company and in general. Not only is there a potential risk of cyber attack if you are linked to the Company's IT systems in your use of Social Media, but there is also the risk that use of your private computer and e-mail address in connection with Company activities may expose you to cyber crime or politically motivated cyber or other forms of attacks.

C . ***Rules for Use of Social Media***. Due to the above-mentioned risks, the following rules apply to use of Social Media by Company employees and representatives:

1. When you join or connect to Social Media - make sure you use only your private e-mail address and not your Company e-mail address.

2. You are expected to maintain confidentiality. Do not discuss on Social Media anything related to Company business, whether or not relating to proprietary Company information.

3. Be aware that any comments you may make in a private capacity on Social Media may be linked to the Company if it is possible for outside persons to identify that you are a Company employee or representative. Such comments may harm the Company's image or good name or expose the Company to potential legal actions.

4. You should be aware that posting the Company logo, indicating on Social Media that you work for the Company or "tagging" pictures of yourself or other employees can create risks for you, the Company and other employees. Therefore, it is recommended not to do so. Also, posting a resume on Social Media that discusses specific projects, customers or products is an inappropriate and unacceptable exposure of Company information.

5. If you believe that there is potentially damaging information about the Company appearing in Social Media, or that a response is desired to something about the Company that appears on Social Media, refer the matter to the Company Spokesperson for handling. Do not make any representations or responses on behalf of the Company or engage in a dialogue relating to the Company on Social Media, even if you think that you are defending the Company or saying something positive.

6. You are personally responsible for whatever you publish on social media, and you are expected to follow the above guidelines. The making of unauthorized or potentially damaging comments will be followed by disciplinary actions.

17. Ethics Code Interpretations and Approvals

If it is not clear to you whether a particular activity or relationship is improper or if an approval is required under this Ethics Code or other related policies or procedure, you should disclose it to a member of the Legal Department or our Chief Compliance Officer (and if you are a director to the Board of Directors). A determination will then be made as to whether there is a violation of the Ethics Code or whether an approval can be granted. You may be required to agree to conditions before receiving any required approval. Approvals granted to an executive officer or director may be subject to regulatory disclosures and other requirements.

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18. Reporting Illegal or Unethical Behavior

A. ***Importance of Reporting***. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Reporting of illegal or unethical conduct is an important element in our ability to meet the standards described in this Ethics Code. You should promptly report violations of laws, rules, regulations or this Ethics Code to our Chief Compliance Officer or to a member of the Audit Committee of our Board of Directors as provided in the *Whistleblower Procedure* referenced in Section 1.C above. Although we encourage employees to report in a fully transparent and detailed manner violations of applicable laws, rules, regulations or this Ethics Code, we will accept reports sent anonymously.

B. ***Non-Retaliation Policy***. It is our policy not to allow actual or threatened retaliation, harassment or discrimination due to reports of misconduct by others made in good faith by employees.

C. ***Reports to the Audit Committee Relating to Financial Matters or Internal Controls***. The Chief Compliance Officer provides reports from time to time to the Audit Committee of our Board of Directors regarding ethics matters. If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of our system of internal controls, and such report is not provided directly to a member of the Audit Committee, a copy of the report will be promptly provided to the Chair of the Audit Committee, and the Audit Committee may participate in the investigation and resolution of the matter.

D. ***Investigations***. All reports of violations of this Ethics Code will be promptly investigated and, if found to be accurate, acted upon in a timely manner. Employees are expected to cooperate in internal investigations of misconduct. For further information see our *Whistleblower Procedure* referenced in Section 1.C above.

19. Enforceability

This Ethics Code is for the benefit of the Company, and no other person or entity is entitled to enforce this Ethics Code. This Ethics Code does not, and should not be interpreted to, create any private cause of action or remedy in any other person or entity for a violation of the Ethics Code. In addition, this Ethics Code should not be construed as a contract of employment and does not change any person's employment status.